Westhab, Inc. and Affiliates
Consolidated Financial Statements
December 31, 2025 and 2024
With Independent Auditor's Report

ADVISORY TAX AUDIT

Westhab, Inc. and Affiliates
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December 31, 2025 and 2024

Independent Auditor's Report

To the Board of Directors of of
Westhab, Inc. and Affiliates:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Westhab, Inc. and Affiliates (the "Company"), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Westhab, Inc. and Affiliates as of December 31, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Dayspring Commons, L.P. and 76 Locust Hill, L.P., which statements reflect aggregated assets constituting 10% of consolidated total assets and aggregated revenue constituting 1.6% of consolidated total revenue of Westhab, Inc. and Affiliates as of and for the year ended December 31, 2025.

We did not audit the financial statements of Dayspring Commons, L.P. and 76 Locust Hill, L.P., which statements reflect aggregated assets constituting 10% of consolidated total assets and aggregated revenue constituting 1% of consolidated total revenue of Westhab, Inc. and Affiliates as of and for the year ended December 31, 2024.

Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above entities, is based solely on the reports of the other auditors.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Westhab, Inc. and Affiliates and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards,* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position, activities and changes in net assets, functional expenses, and property listing are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Matter

The supplementary property listing, as of December 31, 2025, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2026 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Withum Smith + Brown, PC

July 20, 2026

Westhab, Inc. and Affiliates
Consolidated Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Assets		
Current assets		
Cash	$ 38,076,957	$ 16,223,508
Investments	5,141,429	4,942,199
Due from government agencies	14,480,913	24,415,634
Promises to give	-	100,000
Other current assets	4,478,233	5,844,116
Total current assets	62,177,532	51,525,457
Property and equipment, net	459,693,303	399,305,201
Right-of-use assets, operating leases	241,044,321	252,096,900
Other assets		
Investment in subsidiaries	1,120,266	1,120,266
Due from affiliates	271,655	88,725
Assets restricted as to use	106,252,101	131,447,384
Other assets	2,095,380	2,875,015
Total other assets	109,739,402	135,531,390
Total assets	$ 872,654,558	$ 838,458,948

The Notes to Consolidated Financial Statements are an integral part of these statements.

Westhab, Inc. and Affiliates
Consolidated Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Liabilities and Net Assets		
Liabilities		
Current liabilities		
Notes payable - current portion	$ 5,367,649	$ 21,619,369
Operating lease liabilities, current	29,650,866	28,769,441
Accounts payable and other current liabilities	13,347,697	12,437,154
Construction costs payable	5,080,750	3,234,390
Contractual advances	35,314,467	26,941,815
Total current liabilities	88,761,429	93,002,169
Other liabilities		
Notes payable, net of current portion and debt issuance costs	438,600,809	407,253,134
Forgivable mortgage notes payable	14,496,117	14,391,697
Accrued mortgage interest	3,371,840	3,311,660
Operating lease liabilities, noncurrent	216,015,995	226,732,574
Due to affiliates	677,135	-
Due to County of Westchester Department of Social Services, rent advances	856,210	856,210
Security deposits	901,774	765,609
Other liabilities	3,090,527	3,034,745
Total other liabilities	678,010,407	656,345,629
Total liabilities	766,771,836	749,347,798
Net assets		
Without donor restrictions		
Controlling interest	16,037,388	17,345,324
Noncontrolling interest	56,585,605	37,468,973
	72,622,993	54,814,297
With donor restrictions	33,259,729	34,296,853
Total net assets	105,882,722	89,111,150
Total liabilities and net assets	$ 872,654,558	$ 838,458,948

The Notes to Consolidated Financial Statements are an integral part of these statements.

Westhab, Inc. and Affiliates
Consolidated Statements of Activities and Changes in Net Assets
Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Revenues						
Housing income, net	$ 191,935,043	$ -	$ 191,935,043	$ 164,431,662	$ -	$ 164,431,662
Contracts for services	20,086,613	-	20,086,613	18,892,466	-	18,892,466
Fees and contributions	1,854,585	678,588	2,533,173	794,579	598,401	1,392,980
Contributions of nonfinancial assets	360,000	-	360,000	360,000	-	360,000
Capital grants	1,469,123	726,380	2,195,503	111,237	726,611	837,848
Special events, net	974,387	-	974,387	862,308	-	862,308
Investment income	2,264,432	-	2,264,432	983,465	-	983,465
Net assets released from restrictions	2,442,092	(2,442,092)	-	1,850,144	(1,850,144)	-
Total revenues	221,386,275	(1,037,124)	220,349,151	188,285,861	(525,132)	187,760,729
Operating expenses						
Program services	211,084,751	-	211,084,751	181,552,966	-	181,552,966
General and administrative	13,749,427	-	13,749,427	12,523,469	-	12,523,469
Fundraising	537,660	-	537,660	570,413	-	570,413
Total operating expenses	225,371,838	-	225,371,838	194,646,848	-	194,646,848
Changes in net assets	(3,985,563)	(1,037,124)	(5,022,687)	(6,360,987)	(525,132)	(6,886,119)
Changes attributable to limited partners	2,677,627	-	2,677,627	3,700,334	-	3,700,334
Changes in net assets attributable to Westhab, Inc.	(1,307,936)	(1,037,124)	(2,345,060)	(2,660,653)	(525,132)	(3,185,785)

The Notes to Consolidated Financial Statements are an integral part of these statements.

Westhab, Inc. and Affiliates
Consolidated Statements of Activities and Changes in Net Assets
Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Net assets						
Beginning of year						
Controlling interest	$ 17,345,324	$ 34,296,853	$ 51,642,177	$ 20,005,977	$ 34,821,985	$ 54,827,962
Noncontrolling interest	37,468,973	-	37,468,973	35,085,659	-	35,085,659
	54,814,297	34,296,853	89,111,150	55,091,636	34,821,985	89,913,621
Contributed capital						
Controlling interest	-	-	-	-	-	-
Noncontrolling interest	21,794,259	-	21,794,259	6,110,716	-	6,110,716
	21,794,259	-	21,794,259	6,110,716	-	6,110,716
Distributed capital						
Controlling interest	-	-	-	-	-	-
Noncontrolling interest	-	-	-	(27,068)	-	(27,068)
	-	-	-	(27,068)	-	(27,068)
End of year						
Controlling interest	16,037,388	33,259,729	49,297,117	17,345,324	34,296,853	51,642,177
Noncontrolling interest	56,585,605	-	56,585,605	37,468,973	-	37,468,973
	$ 72,622,993	$ 33,259,729	$ 105,882,722	$ 54,814,297	$ 34,296,853	$ 89,111,150

The Notes to Consolidated Financial Statements are an integral part of these statements.

Westhab, Inc. and Affiliates
Consolidated Statement of Functional Expenses
Year Ended December 31, 2025

	Program Services							
	Housing Operations	Shelter Operations	Employment Services	Real Estate Development	Total	General and Administrative	Fundraising	Total
Personnel costs	$ 13,159,477	$ 66,046,007	$ 2,201,204	$ 1,548,334	$ 82,955,022	$ 10,186,931	$ 436,287	$ 93,578,240
Rent	10,987,458	56,098,362	58,766	5,100	67,149,686	541,029	-	67,690,715
Insurance	1,543,899	3,358,898	17,671	4,970	4,925,438	167,105	-	5,092,543
Professional fees	1,161,854	330,945	44,132	69,779	1,606,710	1,013,928	62,380	2,683,018
Real estate taxes	697,584	2,716,699	-	541	3,414,824	-	-	3,414,824
Utilities	2,182,763	5,178,830	12,962	635	7,375,190	120,956	-	7,496,146
Communications	281,340	516,324	32,969	4,135	834,768	51,513	813	887,094
Maintenance and repairs	1,991,936	10,704,740	31,925	7,403	12,736,004	157,760	-	12,893,764
Program activities	1,044,643	7,599,385	468,124	978	9,113,130	43,186	103	9,156,419
Office expense	309,930	1,020,244	49,394	14,516	1,394,084	285,856	14,288	1,694,228
Travel	155,648	169,676	7,167	12,297	344,788	72,428	1,618	418,834
Depreciation and amortization	7,539,856	1,183,833	476	-	8,724,165	719,375	-	9,443,540
Interest	9,340,444	145,429	-	-	9,485,873	97,862	-	9,583,735
Other	198,331	144,992	1,557	8,393	353,273	291,498	22,171	666,942
Bad debt expense	652,926	18,870	-	-	671,796	-	-	671,796
	$ 51,248,089	$ 155,233,234	$ 2,926,347	$ 1,677,081	$ 211,084,751	$ 13,749,427	$ 537,660	$ 225,371,838

The Notes to Consolidated Financial Statements are an integral part of this statement.

Westhab, Inc. and Affiliates
Consolidated Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services							
	Housing Operations	Shelter Operations	Employment Services	Real Estate Development	Total	General and Administrative	Fundraising	Total
Personnel costs	$ 12,902,463	$ 60,839,781	$ 2,115,068	$ 1,383,536	$ 77,240,848	$ 9,073,005	$ 516,903	$ 86,830,756
Rent	10,244,087	46,771,747	57,950	5,100	57,078,884	621,609	-	57,700,493
Insurance	1,349,252	2,588,991	14,530	3,698	3,956,471	110,187	-	4,066,658
Professional fees	921,493	404,935	36,232	70,336	1,432,996	834,056	15,209	2,282,261
Real estate taxes	659,706	1,575,729	-	2,876	2,238,311	-	-	2,238,311
Utilities	1,961,291	3,710,423	7,989	607	5,680,310	142,670	-	5,822,980
Communications	265,778	462,650	24,072	3,843	756,343	52,477	904	809,724
Maintenance and repairs	1,741,953	8,670,279	40,039	373	10,452,644	149,226	-	10,601,870
Program activities	792,119	8,297,365	627,642	630	9,717,756	40,228	475	9,758,459
Office expense	990,579	804,595	60,300	13,740	1,869,214	256,497	15,618	2,141,329
Travel	143,735	136,075	4,583	7,104	291,497	39,881	2,695	334,073
Depreciation and amortization	5,437,066	1,148,580	357	-	6,586,003	704,206	-	7,290,209
Interest	3,312,331	165,178	-	-	3,477,509	343,066	-	3,820,575
Other	106,070	35,437	175	3,950	145,632	156,361	18,609	320,602
Bad debt expense	589,766	18,546	20,236	-	628,548	-	-	628,548
	$ 41,417,689	$ 135,630,311	$ 3,009,173	$ 1,495,793	$ 181,552,966	$ 12,523,469	$ 570,413	$ 194,646,848

The Notes to Consolidated Financial Statements are an integral part of this statement.

Westhab, Inc. and Affiliates
Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Operating activities		
Changes in net assets	$ (5,022,687)	$ (6,886,119)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Provision for credit losses	671,796	628,548
Depreciation and amortization	9,443,540	7,246,251
Amortization of right-of-use assets	35,649,807	25,672,637
Amortization of debt issuance costs	143,605	75,793
Changes in operating assets and liabilities		
Due from government agencies	9,934,721	(6,220,997)
Promises to give	100,000	105,000
Other current assets	694,086	(1,215,161)
Other assets	744,155	(1,363,144)
Due from/to affiliates	494,205	(35,413)
Accounts payable and other current liabilities	910,543	(2,884,826)
Construction costs payable	1,846,360	(1,604,234)
Contractual advances	8,372,652	11,282,754
Accrued mortgage interest	60,180	418,849
Lease liabilities	(34,432,382)	(24,480,623)
Security deposits	136,164	86,415
Other liabilities	55,782	1,468,391
Net cash provided by operating activities	29,802,527	2,294,121
Investing activities		
Return of investment in unconsolidated affiliates	-	59,489
Sales (purchases) of investments, net	(199,228)	712,370
Additions to property and equipment	(69,771,858)	(108,873,753)
Additions to deferred financing fees	(24,304)	(1,627,896)
Net cash used in investing activities	(69,995,390)	(109,729,790)
Financing activities		
Principal payments on notes payable	(21,662,659)	(2,284,690)
Payments of debt issuance costs	(1,770,508)	-
Proceeds from notes payable	38,440,169	145,657,291
Principal payments on forgivable mortgage notes payable	-	(1,400,000)
Proceeds from forgivable mortgage notes payable	49,768	1,030,907
Distributions to limited partners	-	(27,068)
Capital contributions from limited partners	21,794,259	6,110,716
Net cash provided by financing activities	36,851,029	149,087,156
Net change in cash, cash equivalents, and restricted cash	(3,341,834)	41,651,487
Cash, cash equivalents, and restricted cash		
Beginning of year	147,670,892	106,019,405
End of year	$ 144,329,058	$ 147,670,892

The Notes to Consolidated Financial Statements are an integral part of these statements.

Westhab, Inc. and Affiliates
Consolidated Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Reconciliation of cash and assets restricted as to use		
Consolidated statement of financial position presentation		
Cash	$ 38,076,957	$ 16,223,508
Assets restricted as to use	106,252,101	131,447,384
Total cash and assets restricted as to use shown in the consolidated statement of cash flows	$ 144,329,058	$ 147,670,892
Supplemental disclosure of cash flow information		
Cash paid during the year for		
Interest	$ 9,250,948	$ 13,983,000
Noncash investing and financing activities		
Increases to right of use assets and lease liabilities at lease inception	$ 24,597,228	$ 23,993,690
Interest capitalized as property and equipment	$ 13,809,000	$ 11,309,000

The Notes to Consolidated Financial Statements are an integral part of these statements.

1. Nature of Organization

Westhab, Inc. and Affiliates (the “Company” or the "Organization") are companies organized starting in 1981 for the purpose of providing affordable housing in Westchester County, New York, and the surrounding region. Over the years, the Company has grown into a comprehensive community development organization delivering a wide range of housing options and social services programs throughout the New York metropolitan region. The Company develops and manages quality affordable and supportive housing, operates a network of transitional housing options, scattered-site housing programs and rental assistance programs. The Company delivers robust services and support, including employment services, youth services, and case management, to ensure that all members of the community have the opportunity to thrive.

The consolidated financial statements include the accounts of the following entities: 1) Operating companies: Westhab, Inc. (“Westhab”), Westhab In Yonkers, Inc. (“WIY”), 60-64 Elliott Housing Development Fund Company (“Elliott”) and Bay House HDFC (“Bay House”); 2) Holding companies with nominee ownership and no assets: 4-12 Gouverneur Place Housing Development Fund Corporation (“Gouverneur HDFC”), Westhab East 181 Housing Development Fund Corporation (“East 181”), Shiloh Kress Housing Development Fund Corporation (“Shiloh HDFC”), and Ludlow Housing Development Fund Corporation (“Ludlow HDFC”); and 3) Purpose built shelters providing temporary housing: 138-50 Queens Blvd. HDFC (“Queens Blvd.”), 108 St. Edwards HDFC (“Fort Greene”), 92-54 QB HDFC (“Lionheart”), 6661 Broadway Borrower HDFC (“Van Cortlandt”), and 2134 Coyle Housing Development Fund Corporation (“Coyle HDFC”). With the exception of Elliott, these entities are non-profit companies tax exempt under Section 501(c)(3) of the Internal Revenue Code. Collectively, these entities are referred to as the Westhab Group.

The consolidated financial statements also include the accounts of the following Low Income Housing Tax Credit (“LIHTC”) entities: Westhab Bruce Knowles, L.P. (“WBK”), Elm Street Associates, L.P. (“Elm”), Westhab Community Revitalization, LLC (“WCR”), Clinton Place New Housing, LLC (“Clinton”), Shiloh Kress, L.P. ("Shiloh"), Westhab 22 Housing, LLC ("Westhab22"), Gouverneur Place Apartments, LLC (“Gouverneur”), Ludlow Commons, L.P. (“Ludlow”), Dayspring Commons, LP (“Dayspring”), 76 Locust Hill, L.P. (“Locust Hill”), 1940 Jerome Ave Holdings LLC (“Jerome LLC”), and 30 West Owner, L.P. ("30 West"). Collectively, these entities are referred to as the Tax Credit Entities.

All inter-company transactions and balances have been eliminated upon consolidation.

Business Operations
Westhab is a comprehensive community development organization with the mission: “Building Communities. Changing Lives.” Westhab develops and manages quality, affordable, and supportive housing and operates a broad range of social service programs designed to empower lower income people and communities to thrive.

Westhab’s real estate development efforts include ground-up new developments, rehabilitation of distressed housing, and the management and oversight of both our own portfolio as well as for other mission compatible organizations. Westhab has built uniquely designed housing for veterans, young adults, seniors, and other special-needs populations.

Westhab’s housing efforts also include a continuum of services and support that span from emergency shelter to transitional housing to permanent, affordable, and supportive housing. Our social services staff work with singles and families every step of the way to secure appropriate permanent, affordable housing and achieve stability.

To extend our mission and work to break the cycle of poverty and foster long-term self-sufficiency, Westhab delivers robust employment services and youth services programs. The Company’s Employment Services programs work with job seekers with obstacles to employment and deliver the training and support needed to secure jobs and get on career tracks. Westhab’s Youth Services programs deliver comprehensive out-of school-time services including academics, enrichment, athletics, and leadership development to guide young people towards higher education, careers, and life-long success.

Westhab continues to deepen its impact and advance its mission with added scale and capacity. The Organization’s combined housing and services efforts reach over 15,000 New Yorkers annually. Westhab is working towards a future where everyone’s needs are met and everyone has a safe, quality place to call home.

2. Summary of Significant Accounting Policies

a. Basis of Accounting

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Financial reporting by not-for-profit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to donor-imposed restrictions.

The net assets of the Company are reported as follows:

Without Donor Restrictions: Net assets that are not restricted by donor-imposed stipulations and are available for the general operations of the Company. Net assets without donor restrictions may be designated for specific purposes by the Company or may be limited by contractual agreements with outside parties. In addition, net assets without donor restrictions include board-designated funds.

With Donor Restrictions: Net assets subject to donor-imposed restrictions that will be met either by the actions of the Company or through the passage of time. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from donor restrictions.

b. Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets and detailed by natural classification in the consolidated statements of functional expenses. Costs that are directly related to a specific program or general and administrative are directly charged to their functional category. Certain costs have been allocated among the program and supporting services in ratios determined by management to reflect the benefit received. Examples of these costs include utilities, insurance, maintenance and repairs, professional fees, office expense, travel, interest, and depreciation and were allocated based on a percentage of use calculation. The percentage of use is determined by a variety of cost allocation techniques such as square footage ("occupancy costs") and time and effort ("personnel costs").

c. Revenue Recognition

A significant portion of the Company’s revenue is related to and derived from the provision of temporary housing to eligible residents of the County of Westchester and New York City. This revenue is earned pursuant to certain cost reimbursement contracts with the County of Westchester and New York City and from rent paid directly by tenants. Revenue related to housing and shelter operations is recognized when earned. Rent income paid directly by tenants is earned pursuant to leases that generally do not exceed more than one year. Certain tenants are required to provide a security deposit equal to one month’s rent. The Company establishes an allowance for current estimated credit losses that result from the inability of tenants to make their required payments.

This allowance is based on the aging of the rent receivables, assessments of historical collection trends, and an evaluation of the impact of current economic conditions as well as the financial status of the individual tenants.

The Company reports gifts of cash and other assets as with donor restriction support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

The Company accounts for revenue from contracts for services as expenses related to those grants and contracts when incurred or when services are provided. A receivable from the funding agency is recognized to the extent expenses have been incurred or services provided but not reimbursed. A liability is recorded when contract funds paid exceed expenses. Because these funds are generally due from governmental agencies and payments are contractually due, the receivable balance is not reduced by an allowance for uncollectible accounts. The Company's history has substantially been that all of the grant and contract revenue billed has been collected.

The Company accounts for contracts for services, which have been determined to be conditional grants, in the consolidated statements of activities and changes in net assets to the extent that services have been provided or expenses have been incurred for the purpose specified by the grantor during the period. In applying this concept, the legal and contractual requirements of each individual contract are used as guidance. Funds received in advance of their restricted use are accounted for as contractual advances in the consolidated statements of financial position. Amounts received related to conditional contributions for which conditions have not yet been met are recognized as contractual advances in the consolidated statements of financial position.

The Company receives grants to purchase and/or rehabilitate new or existing properties. These grants are recorded as restricted contributions at the time the commitment is made and all significant conditions precedent to the grant are satisfied. Expenditures related to the grants are usually capitalized as additions to property and equipment as incurred. In addition, pursuant to the terms of the Emergency Housing Apartment Program ("EHAP") contract, the Company is permitted to record contract revenue for reimbursement from the County of Westchester for certain mortgage principal payments.

Development fees are recognized in the period in which the service is provided and the terms and conditions for payment are completed.

d. Cash

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. At December 31, 2025 and 2024, the Company held no cash equivalents.

The Company maintains cash balances at U.S. banks, which are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to $250,000 for each institution. The Company's cash balances at times exceeded federally insured limits. Any loss incurred or lack of access to such funds could have a significant adverse impact on the Company's financial condition, results of operations, and cash flows.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash deposits at a brokerage firm. The accounts at the brokerage firm contain cash and securities. Balances are insured for up to $500,000, with a limit of $250,000 for cash, by the Securities Investor Protection Corporation ("SIPC").

e. Tenant Security Deposits

The Organization requires certain residential tenants to provide security deposits in accordance with applicable lease agreements and regulatory requirements. Security deposits are refundable to tenants upon termination of the lease, subject to compliance with lease provisions and applicable laws. Tenant security deposits are recorded as a liability in the consolidated statements of financial position until such time as the deposits are either returned to the tenant or applied in accordance with the terms of the related lease agreement. Cash received for tenant security deposits is maintained in separate restricted accounts and is included in assets restricted as to use in the accompanying consolidated statements of financial position.

f. Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Expenditures for additions, improvements, and other enhancements to property and equipment are capitalized, and minor replacements, maintenance, and repairs that do not extend asset life or add value are charged to expense as incurred. When property and equipment assets are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in results of operations.

The Company capitalizes interest cost incurred on funds used to construct property and equipment while the asset is in its construction phase. The capitalized interest is recorded as part of the asset to which it relates and is amortized over the asset's estimated useful life as a component of depreciation expense. When capitalized interest is recorded, it reduces expense from what it would be otherwise.

In general, depreciation is the systematic and rational allocation of an asset's cost, less its residual value (if any), to the periods it benefits. Property and equipment are depreciated using the straight-line method, which results in depreciation expense being incurred evenly over the life of an asset. The estimated useful lives for each major depreciable classification of property and equipment are as follows:

	Estimated Life (Years)
Buildings and improvements	20-40
Equipment	5
Office furniture and fixtures	3.5-7
Leasehold improvements	*
Hardware and software	5
Vehicles	5

*Estimated useful life of the assets or life of lease, whichever is shorter.

The Company's estimate of depreciation expense incorporates management assumptions regarding the useful economic lives and residual values of the Company's assets. The Company periodically reviews and adjusts, as appropriate, the residual values and useful lives of its assets.

The Company reports gifts of property and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Company reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Rehabilitation Expenses
Major improvements on owned properties are capitalized and depreciated over the estimated useful life of the building. Major improvements and rehabilitation costs associated with leased buildings are capitalized and amortized over the remaining life of the lease. Repairs and improvements on scattered apartment sites are expensed as incurred.

Property Under Development
The Company capitalizes all reasonable costs related to the acquisition and development of new properties. These include direct pre-acquisition costs, acquisition costs, carrying costs such as insurance, real estate taxes and interest, and all construction costs. Capitalization of project development costs ceases at the completion of construction or when a determination has been made that the project is no longer viable. Projects that are determined not to be viable are written off as loss on disposal of assets in the consolidated statements of activities and changes in net assets.

g. Measure of Operations and Performance Indicator

The consolidated statement of activities and changes in net assets reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities reflect all transactions attributable to the Company's ongoing programs. Non-operating activities reflect transactions considered to be nonrecurring in nature or not directly relating to the Company's mission. The Company did not have any non-operating activities at December 31, 2025 and 2024.

h. Fair Value Measurements

The Company measures certain financial instruments at fair value on a recurring basis at each reporting period. Certain assets are measured at fair value on a nonrecurring basis annually or when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Fair value is estimated as the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value estimates involve uncertainty and significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially when quoted prices are unavailable. Changes in assumptions or market conditions could significantly affect these estimates.

Fair Value Hierarchy
Assets and liabilities recorded at fair value are measured and classified in accordance with a fair value hierarchy consisting of three “levels” based on the observability of valuation inputs:

Level 1 - Fair value measurements based on quoted prices (unadjusted) in active markets that the Company has the ability to access for identical assets or liabilities. Market price data generally is obtained from exchange or dealer markets. The Company does not adjust the quoted price for such instruments.

Level 2 - Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 - Fair value measurements based on valuation techniques that use significant unobservable inputs. Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3. The circumstances for using these measurements include those in which there is little, if any, market activity for the asset or liability. Therefore, the Company must make certain assumptions about the inputs a hypothetical market participant would use to value that asset or liability.

The Company maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Financial instruments with quoted prices in active markets generally have more pricing observability and require less judgment in measuring fair value. Conversely, financial instruments for which no quoted prices are available have less observability and are measured at fair value using valuation models or other pricing techniques that require more judgment. Pricing observability is affected by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction, liquidity and general market conditions.

In certain cases, the inputs used to measure the fair value of an asset or liability may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

i. Long-Lived Asset Impairment

The Company reviews its long-lived assets, including property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If such an event or change in circumstances is present, the will estimate the undiscounted future cash flows expected to result from the use of the asset and its eventual disposition. If the sum of the undiscounted future cash flows is less than the carrying amount of the related asset, the Company will record the asset at fair value and recognize an impairment loss in the consolidated statement of activities and changes in net assets. Management evaluated long-lived assets for impairment and determined that no impairment indicators were present and no impairment losses were recognized during the years ended December 31, 2025 and 2024.

j. Investment in Unconsolidated Affiliates

Investments in unconsolidated affiliates consist of two investments: 1) an investment of less than 1% in an affordable housing project in Bronx, NY of approximately $798,000 as of December 31, 2025 and 2024; and 2) an investment of approximately 26% in an LLC with fee owner title to undeveloped property in Bronx, NY of approximately $322,000 as of December 31, 2025 and 2024. Both investments are carried based on the cost method.

k. Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value, as determined by quoted market prices, with gains and losses included in the statement of activities. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

l. Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

m. Income Taxes

Westhab and certain affiliates are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the accompanying consolidated financial statements associated with these entities.

Certain other affiliates such as the tax credit entities are partnerships treated as pass-through entities for federal and state reporting purposes. No provision or liability for federal or state income taxes has been recorded in the consolidated financial statements because all income or loss is passed through to the partners.

The Company has no unrecognized income tax liabilities and had no income tax related penalties or interest for the years ended December 31, 2025 and 2024. Furthermore, there are no tax related interest or penalties included in the consolidated financial statements.

n. Leases

The Company is a lessee in multiple noncancelable operating and financing leases. Right-of-use ("ROU") assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The majority of leases entered into include one or more options to renew or terminate. The exercise of lease renewal and termination options is at the Company's sole discretion. Renewal option periods and termination options are included in the expected lease term and the measurement of the ROU asset and lease liability when exercise of the options is reasonably certain to occur.

The Company has elected to use a risk-free rate for a term similar to the underlying lease as the discount rate if the implicit rate in the lease contract is not readily determinable.

The lease liability is initially and subsequently recognized based on the present value of future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Changes to variable lease payments due to subsequent changes in an index or rate and variable lease payments not dependent on an index or a rate are recorded as variable lease expense in the period in which they are incurred.

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (less) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

For all underlying classes of assets, the Company has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. The Company recognizes short-term lease cost on a straight-line basis over the lease term.

Certain lease contracts include obligations to pay for other services, such as operations, property taxes, and maintenance. For leases of property, the Company accounts for these other services as a component of the lease. For all other leases, the services are accounted for separately and the Company allocates payments to the lease and other services components based on estimated stand-alone prices.

o. Reclassifications

Certain amounts in the prior period consolidated financial statements have been reclassified to conform to the current period presentation. These reclassifications had no effect on net assets or changes in net assets.

3. Liquidity and Availability of Resources

As of December 31, 2025 and 2024, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses and fulfillment of liabilities, were as follows:

	2025	2024
Financial assets		
Cash and cash equivalents	$ 38,076,957	$ 16,223,508
Investments	5,141,429	4,942,199
Due from government agencies	14,480,913	24,415,634
Total financial assets available	57,699,299	45,581,341
Less:		
Net assets with donor restrictions	(2,561,309)	(3,167,261)
Liquidity resources		
Undrawn lines of credit	40,000,000	25,000,000
Total financial assets and liquidity resources available within one year for general expenditure	$ 95,137,990	$ 67,414,080

The Company manages its financial assets to be available as its operating expenditures, liabilities, and other obligations become due. The Company's cash flows have fluctuations during the year attributable to the timing of operations and repayment from funding sources which varies on a funding source basis.

4. Due from Government Agencies

Amounts due from government agencies at December 31, 2025 and 2024 represent un-reimbursed amounts earned under contracts. There is no reserve for uncollectible amounts as of December 31, 2025 and 2024.

5. Property and Equipment

The historical costs of the Organization's property and equipment and related accumulated depreciation balances at December 31, 2025 and 2024, were as follows:

	2025			
	Westhab Group	Tax Credit Entities	Eliminations	Total
Land	$ 39,561,645	$ 9,300,076	$ -	$ 48,861,721
Buildings and improvements	148,756,883	181,710,377	(18,629,550)	311,837,710
Equipment	1,711,604	944,910	-	2,656,514
Office furniture and fixtures	3,633,170	2,808,437	-	6,441,607
Leasehold improvements	6,461,323	480,418	-	6,941,741
Hardware and software	4,433,024	-	-	4,433,024
Vehicles	1,589,314	-	-	1,589,314
Property under development (see Note 6)	74,364,538	61,833,872	(3,482,039)	132,716,371
Property and equipment, at cost	240,949,856	247,778,014	(22,111,589)	466,616,281
Accumulated depreciation and amortization	(19,029,226)	(40,793,742)	4,038,269	(55,784,699)
Total property and equipment, net	$ 261,482,275	$ 216,284,348	$ (18,073,320)	$ 459,693,303

	2024			
	Westhab Group	Tax Credit Entities	Eliminations	Total
Land	$ 30,118,467	$ 9,300,076	$ -	$ 39,418,543
Buildings and improvements	89,029,279	181,261,813	(18,629,550)	251,661,542
Equipment	1,634,963	886,049	-	2,521,012
Office furniture and fixtures	3,544,653	2,808,437	-	6,353,090
Leasehold improvements	6,266,129	480,418	-	6,746,547
Hardware and software	4,267,904	-	-	4,267,904
Vehicles	1,524,267	-	-	1,524,267
Property under development (see Note 6)	115,107,187	21,716,616	(3,482,039)	133,341,764
Property and equipment, at cost	221,374,382	207,153,333	(22,111,589)	406,416,126
Accumulated depreciation and amortization	(14,415,420)	(35,614,736)	3,500,688	(46,529,468)
Total property and equipment, net	$ 237,077,429	$ 180,838,673	$ (18,610,901)	$ 399,305,201

Depreciation expense related to property and equipment was approximately $9,379,000 and $7,096,000 for the years ended December 31, 2025 and 2024, respectively.

6. Property Under Development

Property under development on December 31, 2025 and 2024, consists of land, buildings, and construction costs for the following projects in varying stages of development:

Project	Address	2025	2024
Westhab Group			
Fort Greene Family Residence	108 St. Edwards St., Brooklyn NY 11205	$ -	$ 59,424,977
Van Cortlandt Rapid Rehousing Center	6661 Broadway, Bronx NY 10471	28,129,864	13,709,744
Travers House Renovation	100 Vark St., Yonkers 10701	-	2,322,415
30 West Project	30 West St., Haverstraw, NY 10927	-	920,904
Coyle Family Residence	2134 Coyle St., Brooklyn, NY 11229	45,952,149	38,729,147
9-16 27th Street	9-16 27th Street, Queens NY 11102	17,500	-
SWYSS/Bundling Project	Various locations, Yonkers, NY	265,025	-
		74,364,538	115,107,187
Tax Credit Entities			
La Olazul	1940-1942 Jerome Avenue, Bronx, NY 10453	54,760,659	21,716,616
Gouverneur Place Apartments	450 Gouverneur Avenue, Bronx, NY 10456	855,577	-
30 West Project	30 West Street, Haverstraw, NY 10927	6,217,636	-
		61,833,872	21,716,616
		136,198,410	136,823,803
Eliminations		(3,482,039)	(3,482,039)
Total property under development		$ 132,716,371	$ 133,341,764

Fort Greene Family Residence
The HDFC, controlled by Westhab, purchased an abandoned church at 96 St. Edwards Street in November 2022 to demo the existing building and construct a multifamily shelter for families with children in Brooklyn, NY with funding primarily from NYC DHS. The project cost is expected to be approximately $72.9 million and will be funded by a 100% loan to cost through a CTL loan that gets paid directly by NYC DHS. The shelter was placed in service in 2025.

Van Cortlandt Rapid Rehousing Center
The HDFC, controlled by Westhab, purchased the buildings known as 6661 Broadway in November 2023 to demo the existing building and construct a dormitory style singles shelter in Bronx, NY with funding from NYC DHS. The project cost is expected to be approximately $36,050,000 and will be funded by 100% loan to cost through a CTL loan that gets paid directly by NYC DHS.

Travers House Renovation
Renovation costs for 101 Vark Street with funding through New York State Homeless Housing Assistance Program. This project was placed in service in 2025.

30 West Project
The tax credit partnership acquired 30 West Street in the Village of Haverstraw, NY in December 2025 for the purpose of constructing 81 units of affordable housing. The total development cost is anticipated to be approximately $52.5 million. Funding for the project includes $23 million of tax credit equity through the sale of low-income housing tax credits and State low-income housing credits issued by HCR, and a variety of subsidy loans, grants and operating and rental subsidies.

Coyle Family Residence
The HDFC, controlled by Westhab, closed on the acquisition of 2134 Coyle Street in December 2024 to demo the existing building and construct a families with children shelter in Brooklyn, NY. The project cost is expected to be approximately $124,000,000 and will be funded by 100% loan to cost through a CTL loan that gets paid directly by NYC DHS.

9-16 27th Street
Develop 244 units of transitional housing for families with children.

SWYSS/Bundling Project
The SWYSS/Bundling Project (the "Project") is a proposed moderate rehabilitation of Westhab's portfolio of properties in Southwest Yonkers, NY. The Project consists of 10 buildings including 93 Bruce Ave., 97 Bruce Ave., 12 Knowles Street, 62-64 Elliott Street, 5 Lawrence Street, and 125, 129, 139, 141, and 145 Elm Street, encompassing 96 units.

La Olazul
The tax credit partnership purchased 1940 Jerome Avenue in the Bronx, NYC in March 2024 for the purpose of constructing 115 units of affordable housing. The total development cost is expected to be approximately $81.3 million. Funding for the project includes $35 million of tax credit equity through the sale of low-income housing tax credits issued by HCR, NYS and NYC subsidy loans and NY 15/15 rental and operating subsidies for the supportive housing units. There is a retail space that will be split into its own Condo and sold following receipt of the project's TCO.

7. Notes Payable

Notes payable consists of the following at December 31, 2025 and 2024:

	2025	2024
Westhab Group		
Refundable grant (JP Morgan Chase Bank) dated June 19, 2006 payable in a lump sum in November 2008. The bank has not made a demand for payment. (Funds utilized for 157 Bruce Ave., Yonkers, New York.)	$ 100,000	$ 100,000
Twenty-four year mortgage note (DASNY) dated April 29, 2015 payable in semi-annual installments of $363,190 including interest at 3.4652%. The note matures April 2039, is secured by property at 4-12 Gouverneur Place, Bronx, New York and subject to a regulatory agreement with DASNY. The Company is entitled to receive semi-annual debt service subsidies from NYSOMH in the amount of $363,190 and has assigned these subsidies to DASNY.	7,550,806	8,003,732
Mortgage note (Valley Bank) dated April 10, 2022 with a seven year term, principal and interest based on a twenty-five year amortization payable in monthly installments of $1,480 including interest at 4.55% maturing March 2029 secured by land and building at 28 Pier St., Yonkers, New York.	240,063	246,585
Drawdowns under thirty year, $150,000 unsecured (City of Yonkers Home Investment Partnership Program) 1% note available for renovations at 28 Pier St., Yonkers, New York. There are no set repayment terms. Repayment is made out of available cash flow.	150,000	150,000

	2025	2024
Drawdowns under thirty year, $1,315,000 unsecured loan (City of Yonkers Home Investment Partnership Program) available for renovations at 5 Hudson St., Yonkers, New York. There are no set repayment terms; repayment is made out of available cash flow. The loan bears interest at 1%.	1,315,000	1,315,000
Mortgage note (New York State HTFC), dated October 28, 1996 with interest (1%) only payable for fifteen years subject to availability of excess income from the specific property secured by land and building at 60-64 Elliott Ave., Yonkers, New York. The loan is due in October 2095.	2,202,644	2,202,644
Mortgage note (New York State HTFC), dated November 24, 1998 with interest only payable subject to availability of excess income from the specific property secured by land and building at 60-64 Elliott Ave., Yonkers, New York. The loan is due in 2097.	222,119	222,119
Mortgage note (Westchester County Department of Planning) payable in monthly installments of $354 including interest at rates ranging from 1% to 6% through September 2025 secured by land and building at 2 East Cross St., North Salem, New York.	-	3,414
Mortgage note (Westchester County Department of Planning) interest accruing at 6% through 2009, -0-% interest thereafter. Repayment of the loan and interest will only occur if the property is sold. Secured by land and building at 2 East Cross St., North Salem, New York.	282,355	282,355
Mortgage note with New York State HHAC bearing simple interest at 1%. No payments are due until 2030. Secured by property at 97 Bruce Ave and 12 Knowles St., in Yonkers, New York.	333,628	333,628
Mortgage note (Leviticus) dated August 1, 2016 payable in 120 monthly installments of $4,514 including interest at 5.5%, maturing July 1, 2026 secured by land and building at 5 Lawrence St., Yonkers, New York.	667,408	684,360
Term loan (Valley Bank) dated July 15, 2020 secured by all business assets. Loan repayable in 60 monthly installments of $12,339 including interest at 4.00%, maturing July 15, 2025.	-	85,114
Mortgage note (Leviticus) dated June 23, 2020 requiring monthly payments of principal and interest of $11,596, interest at 5.25%, maturing June 23, 2050, secured by property at 5 Hudson St., Yonkers, New York.	1,919,351	1,956,672
Term loan (Valley Bank) dated August 1, 2022 secured by all business assets. Loan repayable in 60 monthly installments of $26,203 including interest at 5.00%, maturing July 1, 2027.	476,370	758,850
Term loan (Valley Bank) dated September 24, 2021 secured by all business assets. Loan repayable in 60 monthly installments of $11,301 including interest at 4.45%, maturing September 24, 2026.	-	227,790

	2025	**2024**
Mortgage note (UMB Bank - Acquisition Loan) dated December 10, 2021 payable in monthly installments of interest only through February 2023 in the amount of $52,036 followed by monthly installments of principal and interest of $75,417, interest at 3.91%. The note matures February 28, 2053 and is secured by property at 138-50 Queens Boulevard, Jamaica, NY.	15,130,772	15,437,623
Mortgage note (UMB Bank - Building Loan) dated December 10, 2021 payable in monthly installments of interest only through February 2023 in the amount of $36,114 followed by monthly installments of principal and interest of $52,341, interest at 3.91%. The note matures February 28, 2053 and is secured by property at 138-50 Queens Boulevard, Jamaica, NY.	10,500,994	10,713,954
Mortgage note (UMB Bank - Project Loan) dated December 10, 2021 payable in monthly installments of interest only through February 2023 in the amount of $28,695 followed by monthly installments of principal and interest of $41,589, interest at 3.91%. The note matures February 28, 2053 and is secured by property at 138-50 Queens Boulevard, Jamaica, NY.	8,343,989	8,513,204
Mortgage note (UMB Bank - Acquisition Loan) dated August 3, 2022 payable in monthly installments of interest only through October 2024 in the amount of $58,077 followed by monthly installments of principal and interest of approximately $73,000, interest at 5.32%. The note matures October 1, 2054 and is secured by property at 92-54 Queens Blvd., Queens, NY.	12,886,558	13,070,355
Mortgage note (UMB Bank - Building Loan) dated August 3, 2022 payable in monthly installments of interest only through October 2024 in the amount of $136,423 followed by monthly installments of principal and interest of approximately $171,000, interest at 5.32%. The note matures October 1, 2054 and is secured by property at 92-54 Queens Blvd., Queens, NY.	30,270,834	30,702,579
Mortgage note (UMB Bank - Project Loan) dated August 3, 2022 payable in monthly installments of interest only through October 2024 in the amount of $99,363 followed by monthly installments of principal and interest of approximately $124,000, interest at 5.32%. The note matures October 1, 2054 and is secured by property at 92-54 Queens Blvd., Queens, NY.	22,047,607	22,362,066
Mortgage note (UMB Bank - Acquisition Loan) dated November 3, 2022 payable in monthly installments of interest only through June 2025 in the amount of $44,515 followed by monthly installments of principal and interest of approximately $53,000, interest at 5.98%. The note matures June 1, 2055 and is secured by property at 96 St. Edwards St., Brooklyn, NY.	8,877,024	8,932,800
Mortgage note (UMB Bank - Building Loan) dated November 3, 2022 payable in monthly installments of interest only through June 2025 in the amount of $204,069 followed by monthly installments of principal and interest of approximately $245,000, interest at 5.98%. The note matures June 1, 2055 and is secured by property at 96 St. Edwards St., Brooklyn, NY.	40,694,706	40,950,400

	2025	2024
Mortgage note (UMB Bank - Project Loan) dated November 3, 2022 payable in monthly installments of interest only through June 2025 in the amount of $114,551 followed by monthly installments of principal and interest of approximately $138,000, interest at 5.98%. The note matures June 1, 2055 and is secured by property at 96 St. Edwards St., Brooklyn, NY.	22,843,270	22,986,800
Mortgage note (UMB Bank - Acquisition Loan) dated November 17, 2023 payable in monthly installments of interest only through November 2025 in the amount of $28,239 followed by monthly installments of principal and interest of approximately $33,000, interest at 6.39%. The note matures November 15, 2055 and is secured by property at 6661 Broadway, Bronx, NY.	5,298,144	5,303,041
Mortgage note (UMB Bank - Building Loan) dated November 17, 2023 payable in monthly installments of interest only through November 2025 in the amount of $120,677 followed by monthly installments of principal and interest of approximately $142,000, interest at 6.39%. The note matures November 15, 2055 and is secured by property at 6661 Broadway, Bronx, NY.	22,641,442	22,662,371
Mortgage note (UMB Bank - Project Loan) dated November 17, 2023 payable in monthly installments of interest only through November 2025 in the amount of $43,050 followed by monthly installments of principal and interest of approximately $51,000, interest at 6.39%. The note matures November 15, 2055 and is secured by property at 6661 Broadway, Bronx, NY.	8,077,122	8,084,588
Mortgage note (Valley Bank) dated May 5, 2023 payable in monthly installments of principal and interest of $14,431, interest at 6%. The note matures April 5, 2028 and is secured by property at 829 Tilden St., Bronx, NY.	375,120	520,510
Mortgage note (Wilmington Trust, NA - Acquisition Loan) dated December 17, 2024 payable in monthly installments of interest only through April 2027 in the amount of $155,850 followed by monthly installments of principal and interest of approximately $184,875, interest at 6.202%. The note matures April 15, 2057 and is secured by property at 2134 Coyle St., Brooklyn, NY.	30,154,777	30,154,777
Mortgage note (Wilmington Trust, NA - Building Loan) dated December 17, 2024 payable in monthly installments of interest only through April 2027 in the amount of $358,711 followed by monthly installments of principal and interest of approximately $425,500, interest at 6.202%. The note matures April 15, 2057 and is secured by property at 2134 Coyle St., Brooklyn, NY.	69,405,546	69,405,546
Mortgage note (Wilmington Trust, NA - Project Loan) dated December 17, 2024 payable in monthly installments of interest only through April 2027 in the amount of $126,087 followed by monthly installments of principal and interest of approximately $149,500, interest at 6.202%. The note matures April 15, 2057 and is secured by property at 2134 Coyle St., Brooklyn, NY.	24,396,005	24,396,005

	2025	2024
Term loan (Valley Bank) dated October 17, 2025, secured by all business assets. Loan repayable in 60 monthly installments with a five year term, principal and interest based on a five year amortization payable in monthly installments of $14,730 including interest at 6.00%, maturing January 17, 2030. (Westhab Rego Park)	637,676	-
	348,041,330	350,768,882
Less: Current maturities	4,911,247	3,263,980
Less: Unamortized debt issuance costs	4,057,144	2,398,426
Westhab Group, net of current maturities and unamortized debt issuance costs	$ 339,072,939	$ 345,106,476
Tax Credit Entities		
Note payable, City of Yonkers, requiring payments of principal and interest to the extent of available cash, based on a thirty-year amortization. No amounts were paid for principal or interest in 2020 and 2019. Secured by property at 125, 129, 131, 141 and 145 Elm St., Yonkers, New York.	425,000	425,000
Note payable, City of Yonkers, no stated interest, originally requiring payment over a thirty year period commencing with the completion of the construction. To date, the City of Yonkers has not required any repayments. The mortgage matures March 2023. The proceeds were used for improvements at 125, 129, 131, 141 and 145 Elm St., Yonkers, New York.	150,000	150,000
Mortgage payable (Community Preservation Corp.) in monthly payments including interest at 4.25% maturing in 2033. Interest on the mortgage is adjustable every five years and is based on the then current yield for 5 year U.S. Treasury securities plus 366 basis points. Secured by property at 125, 129, 131,141 and 145 Elm St., Yonkers, New York.	482,056	531,512
Mortgage payable (NYS HHAC) secured by property at 97 Bruce Avenue bearing interest at the rate of 1%. No payments of principal or interest are due until 2029.	1,030,002	1,030,002
Mortgage payable (NYS HHAC) secured by property at 12-15 Knowles St. bearing interest at the rate of 1%. No payments of principal or interest are due until 2029.	950,000	950,000
Note payable (HHAP), secured by property at 97 Bruce Avenue bearing interest at the rate of 1%. No payments of principal or interest are due until 2029.	79,800	79,800
Drawdowns on mortgage note (HHAC) dated June 21, 2016, $3,765,000 total available, compounded interest at 1% per annum (effective interest rate of 1.12%), principal and interest due and payable July 1, 2046, secured by property on South 4th Ave., South Waverly St. and Livingston Ave. in Yonkers, NY.	3,765,000	3,765,000

	2025	2024
1st mortgage note (CPC) dated June 21, 2016, $750,000, payable in monthly installments of $3,940 including interest at 4.81% maturing on July 1, 2046, secured by property on South 4th Ave., South Waverly St. and Livingston Ave. in Yonkers, NY.	616,934	634,083
Mortgage payable (NYS HHAP) secured by property at 41-47 Clinton Place bearing interest at the rate of 1% and is forgivable if no default occurs.	1,300,000	1,300,000
Mortgage payable (NYS HTF) secured by property at 41-47 Clinton Place bearing interest at the rate of 1% and is forgivable if no default occurs.	1,200,000	1,200,000
Note payable (Community Preservation Corporation), monthly amortizing payments of principal and interest of $3,442, interest at a rate of 4.88% per annum, matures August 1, 2044, secured by property at 22 Tarrytown Rd.	505,362	521,571
Promissory note agreement (New York State Housing Trust Fund Corporation), interest at 1% per annum payable from excess income as defined in the regulatory agreement, matures July 14, 2044, secured by property at 22 Tarrytown Rd.	1,600,000	1,600,000
Thirty year mortgage (Webster Bank) bearing interest at 7.2% with monthly installments of principal and interest until the maturity date on March 16, 2040, secured by property at 41-47 Clinton Place.	540,362	561,764
Note payable (NYS HFA) secured by property at 29 Kress Avenue with no interest. Balance of this note is due and payable on the maturity date of January 1, 2053.	35,871	35,871
Mortgage payable (NYS HFA) dated November 6, 2019, $19,430,000 total available, interest at 2% per annum on the short term loan ($12,290,000) and 4% per annum on the long term loan ($7,140,000), a servicing fee of 0.25% per annum on the outstanding principal amount of the loan as well as a SONYMA premium of 0.50% per annum on the outstanding principal amount of the loan beginning on the conversion date. The short term loan matured November 1, 2023. The long term loan requires monthly payments of principal and interest of $34,087 and matures January 1, 2052. The loan is secured by property at 227 Elm St., Yonkers, NY.	6,641,436	6,781,769
Mortgage payable (NYS HFA) dated November 6, 2019, $10,960,000 total available, simple interest at 0.50% per annum, interest only payable on the conversion date followed by monthly interest only payments and matures January 1, 2052. The loan is secured by property at 227 Elm St., Yonkers, NY.	10,937,210	10,937,210
Mortgage payable (NYS HFA) dated November 6, 2019, $2,550,000 total available, interest free, no principal payments required until maturity on January 1, 2052. The loan is secured by property at 227 Elm St., Yonkers, NY.	2,550,000	2,550,000

	2025	**2024**
Mortgage payable (NYS HFA) dated December 16, 2021, $28,270,000 total available, interest at 1.25% per annum on the short term loan ($17,900,000) and 3.75% per annum on the long term loan ($10,370,000), a servicing fee of 0.25% per annum on the outstanding principal amount of the loan as well as a SONYMA premium of 0.50% per annum on the outstanding principal amount of the loan beginning on the conversion date (October 1, 2024). The short term loan requires monthly interest payments of $51,052 and matures October 1, 2025, while the long term loan requires monthly principal and interest payments of $48,025 and matures August 1, 2054. The loan is secured by property at 76 Locust Hill Avenue, Yonkers, NY.	10,146,839	28,254,381
Subsidy note payable (NYS HFA) dated December 16, 2021, $3,338,671 total available, simple interest at 2.00% through the conversion date (October 1, 2024) followed by compounding interest at 2.00% with 0.50% payable monthly and the remaining amount shall accrue and be payable on the maturity date, no principal payments required until maturity (August 1, 2054). The loan is secured by property at 76 Locust Hill Avenue, Yonkers, NY.	3,338,671	2,077,114
Subsidy note payable (COY HOME) dated December 16, 2021, $600,000 total available, bearing an interest rate of one (1.00%) percent per annum, compounding annually, for a term of thirty (30) years. Commencing on the first day of the first calendar quarter following the day the Temporary Certificate of Occupancy is issued, Borrower shall pay quarterly installments of interest to Lender. The loan is secured by property at 76 Locust Hill Avenue, Yonkers, NY.	600,000	600,000
Mortgage payable (NYS HFA) dated March 27, 2024, $39,185,000 total available, interest at 4.60% per annum on the short term loan ($30,850,000) and 6.00% per annum on the long term loan ($8,335,000), a servicing fee of 0.25% per annum on the outstanding principal amount of the loan as well as a SONYMA premium of 0.50% per annum on the outstanding principal amount of the loan beginning on the conversion date (May 1, 2027). The short term loan requires monthly interest payments of $159,933 and matures May 1, 2027, while the long term loan requires monthly principal and interest payments of $45,860 and matures March 1, 2067. The loan is secured by property at 1940-1942 Jerome Ave., Bronx, NY.	34,020,580	12,913,176
Subsidy loan payable (NYS SHOP) dated March 27, 2024, $14,945,331 total available, interest at 2.87% per annum until the conversion date, a permanent interest rate of 0.25%, as well as a servicing fee of 0.25% per annum on the full principal amount of the loan. The loan matures March 1, 2067. The loan is secured by property at 1940-1942 Jerome Ave., Bronx, NY.	6,124,953	3,152,824
Construction loan payable (NYC HPD) dated March 27, 2024, $11,500,000 total available, bearing an interest rate of 4.31% per annum, compounding annually, as well as 0.25% servicing fee per annum on the portion of the loan actually advanced, until the conversion date, after which interest is incurred at a rate of 5.37% per annum. The loan matures on May 27, 2027, or on the 40th anniversary of the conversion date. The loan is secured by property at 1940-1942 Jerome Ave., Bronx, NY.	10,129,281	1,016,464

	2025	2024
Mortgage note (TD Bank - Building Loan) dated December 19, 2025 payable in monthly interest only installments through June 19, 2028. The note matures on June 19, 2028 and is secured by property at 30 West Street, Haverstraw NY. Upon completion of construction, the loan is expected to convert to a permanent loan with Leviticus Fund.	325,139	-
Mortgage note (TB Bank - Project Loan) dated December 19, 2025 payable in monthly interest only installments through June 19, 2028. The note matures on June 19, 2028 and is secured by property at 30 West Street, Haverstraw NY. Upon completion of construction, the loan is expected to convert to a permanent loan with Leviticus Fund.	23,445	-
Mortgage note (HALO Loan) dated December 19, 2025 payable in quarterly installments of principal and interest starting January 2028 of approximately $28,948, with an interest rate of 1.00%. The note matures on December 19, 2055 and is secured by property at 30 West Street, Haverstraw NY.	3,000,000	-
	100,517,941	81,067,541
Less: Current maturities	456,402	18,355,389
Less: Unamortized debt issuance costs	533,669	565,484
Total tax credit entities, net of current maturities and unamortized debt issuance costs	$ 99,527,870	$ 62,146,668
Consolidated notes payable		
Total consolidated notes payable	$ 448,559,271	$ 431,836,423
Less: Current maturities	5,367,649	21,619,369
Less: Unamortized debt issuance costs	4,590,813	2,963,910
Total consolidated notes payable, net of current maturities and unamortized debt issuance costs	$ 438,600,809	$ 407,253,144

The aggregate amounts of principal maturities and sinking fund requirements of long-term debt outstanding at December 31, are as follows:

2026	$ 5,367,649
2027	5,682,844
2028	6,195,539
2029	6,687,612
2030	6,646,240
Thereafter	417,979,387
Total long-term debt	$ 448,559,271

The Company's policy is to amortize debt issuance costs over the term of the related note payable. Amortization expense for each of the years ended December 31, 2025 and 2024 amounted to approximately $144,000 and $76,000, respectively, and is included in interest expense.

The debt issuance costs are being amortized over the term of the debt on a method that approximates the interest method. The Company reflects amortization of debt issuance costs within interest expense.

Amortization expense over the next five years ending December 31, 2025 is expected as follows:

2026	$	180,499
2027		177,238
2028		177,179
2029		172,723
2030		169,198
Thereafter		3,713,976
Total long-term debt	$	4,590,813

8. Line of Credit

The Company is party to a committed revolving credit facility (maximum available $40,000,000 and $25,000,000 at December 31, 2025 and 2024, respectively) with Valley Bank, with interest at prime (6.75% and 7.50% at December 31, 2025 and 2024, respectively). The line of credit matures on September 30, 2026, secured by certain real property and a 2nd security interest in certain personal property. As of December 31, 2025 and 2024, the outstanding balances amounted to $-0-.

9. Forgivable Mortgage Notes Payable

In connection with the Company's financing of its development of affordable housing, the Company is party to certain capital grant agreements which are secured by enforcement mortgages on the property. The mortgages bear no interest, and repayment is not required so long as the housing continues to meet various affordability restrictions during the compliance period.

Forgivable mortgage notes payable consists of the following at December 31, 2025 and 2024:

Grantor	Project	Compliance Period (Years)	2025	2024
Enterprise Community Partners, Inc.	Summit on Hudson	30	$ 10,871,660	$ 10,871,660
City of Yonkers	Summit on Hudson	30	172,489	172,489
			11,044,149	11,044,149
Westchester County	Windham	50	787,500	787,500
Federal Home Loan Bank	Dayspring	15	600,000	600,000
New York State Homeless Housing and Assistance Program	Travers	25	2,064,468	1,960,048
Total forgivable mortgage notes payable			$ 14,496,117	$ 14,391,697

10. Leases

The Company is party to numerous operating lease agreements entered into in connection with its housing and shelter operations. The following is a summary of these leases and the typical lease terms:

Purpose of Lease	Shelter Program	Housing Program	Administrative
Program funding source	New York City	N/A	N/A
Number of leases - December 31, 2025	16	1	2
Number of leases - December 31, 2024	16	4	2
Initial lease term (years) (1)	4.5-13	10-17	9-17
Lease term expiration date	2026-2053	2029	2029-2033
Renewal option (2)	None	5-year option	None
Average annual rent increase	2-3%	2%	2%
Cancellable without penalty	Yes (3)	Yes (3)	No

1. The initial lease term for two of these leases is 30 years, expiring in 2052 and 2053.
2. The renewal options have not been included in the lease liability calculation, since it is not reasonably certain that they will be exercised, based on general uncertainties that come with the passage of time.
3. Each of these leases is cancellable without penalty to the Company in the event the funding source terminates its contract with the Company.

Because the rates implicit in the leases are generally not available, the Company utilizes the risk-free borrowing rate as the discount rate.

Maturities of lease liabilities are as follows as of December 31, 2025:

2026	$ 40,304,320
2027	35,184,086
2028	32,201,432
2029	25,074,250
2030	19,289,137
Thereafter	213,874,500
Total lease payments	365,927,725
Less: Imputed interest	120,260,864
Total lease liabilities	$ 245,666,861

Rent expense comprises the following for the years ended December 31, 2025 and 2024:

	2025	**2024**
Operating lease expense	$ 44,357,000	$ 37,798,000
Short-term lease expense	23,334,000	19,899,000
Total rent expense	$ 67,691,000	$ 57,697,000

Information regarding lease terms and discount rates as of December 31, 2025 is as follows:

	2025	2024
Weighted-average remaining lease term (years):		
Operating leases	16.65	16.94
Weighted-average discount rate (%):		
Operating leases	4.64	4.72

Gross cash payments on operating leases totaled $43,208,000 and $36,353,000 for the years ended December 31, 2025 and 2024, respectively.

11. Due to County of Westchester, Department of Social Services - Rent Advances

This amount, totaling $856,210 as of December 31, 2025 and 2024, represents non-interest bearing cash advances by the Westchester County Department of Social Services ("WCDSS") related to specific lease agreements under the EHAP program. In accordance with the terms of an agreement with WCDSS, the outstanding rent advances will be repaid at the rate of $4,628 per unit when and if the total number of EHAP-approved units drops below a specified benchmark.

12. Special Events

The Organization conducts various fundraising events throughout the year, including galas, golf outings, benefit events, and other special fundraising activities designed to support its programs and operations. Revenue generated from these events consists primarily of ticket sales, sponsorships, and contributions.

In accordance with GAAP, the Organization presents special event revenue net of direct donor benefit costs in the accompanying consolidated statements of activities and changes in net assets. Direct donor benefit costs represent those costs incurred that provide a direct benefit to event attendees, such as meals, entertainment, venue rental, and other event-related expenditures.

Special event activity for the years ended December 31 consisted of the following:

	2025	2024
Gross special event revenue	$ 1,245,840	$ 1,113,802
Less: Direct donor benefit costs	(271,453)	(251,494)
Special events, net	$ 974,387	$ 862,308

13. Retirement Plan

The Company has non-contributory defined contribution plan covering all qualified employees funded by discretionary contributions. The plan does not include any benefits attributable to past service. Contributions under plan for the years ended December 31, 2025 and 2024 totaled approximately $2,262,000 and $1,779,000, respectively.

14. Concentrations

For the year ended December 31, 2025, approximately 70% and 9% of the Company's total revenue was received from or passed through New York City and Westchester County, respectively. For the year ended December 31, 2024, approximately 73% and 11% of the Company's total revenue was received from or passed through New York City and Westchester County, respectively.

For each of the years ended December 31, 2025 and 2024, approximately 14% and 17%, respectively, of total revenues was received via pass-through from state, county or local government agencies.

As of December 31, 2025, approximately 94% and 3% of the Company's amounts due from government agencies is due from or passed through New York City and Westchester County, respectively. As of December 31, 2024, approximately 92% and 3% of the Company's amounts due from government agencies is due from or passed through New York City and Westchester County, respectively.

The Company has contracted with various funding agencies to perform certain services. Reimbursements received under these contracts are subject to audit by federal, state, and local governments and other agencies. Upon audit, if discrepancies are discovered, the Company could be held responsible for reimbursing the agencies for the amount in question. In addition, the loss of funding from a particular agency could have a material effect on the Company's operations.

15. Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2025 and 2024, comprised of contributions which require the passage of time and contributions which require the Company to perform certain obligations, are detailed as follows:

	2025		2024	
	With Donor Restrictions	**Restrictions Relieved**	**With Donor Restrictions**	**Restrictions Relieved**
Purpose restricted				
Administrative	$ 50,000	$ -	$ -	$ -
Housing services	185,902	38,331	137,123	38,342
Youth services and education	588,297	332,764	488,083	311,193
OMH debt service subsidy	-	726,380	-	726,611
Dayspring campaign	1,655,425	859,950	2,461,875	697,208
Development	10,000	-	10,000	-
Employment services	70,990	53,495	69,485	76,790
Senior programs	695	-	695	-
	2,561,309	2,010,920	3,167,261	1,850,144
Time restricted	30,698,420	431,172	31,129,592	-
	$ 33,259,729	$ 2,442,092	$ 34,296,853	$ 1,850,144

Time restrictions are primarily comprised of capital advances used as development sources for various development projects with continuing use restrictions typically ranging from 30-40 years. Upon the adoption of ASU 2018-08 effective January 1, 2020, the Company discontinued releasing amounts from restriction ratably over the continuing use period. Upon maturity of the continuing use restriction period the Company will release from restriction the respective portion that remains within the time restriction balance.

16. Litigation

The Company is a party to legal matters and claims in the normal course of operations. While the Company believes the ultimate outcome of such other matters and claims will not have a material adverse effect on the Company's financial position, change in net assets, or cash flows, the outcome of such matters and claims is not determinable with certainty, and negative outcomes may adversely affect the Company.

17. Assets Restricted as to Use

Assets restricted as to use represent cash in various reserves; cash received for tenant security deposits, and cash and contributions receivable whose use is restricted to the purchase or renovation of low-income housing properties or for specific programs. Use of these funds may require approval by a third party. A summary of both current and non-current assets restricted as to use follows:

	2025		
	Westhab Group	Tax Credit Entities	Total
Construction escrows	$ 97,280,614	$ 917,983	$ 98,198,597
Replacement reserve	461,981	2,810,842	3,272,823
Operating reserves	99,179	2,347,794	2,446,973
Other escrows	680,182	495,139	1,175,321
Tenant security deposit	143,116	539,615	682,731
Rent reserve	196,344	-	196,344
Dayspring reserve	125,652	-	125,652
EHAP reserve	118,655	-	118,655
Other restricted deposits	-	35,005	35,005
Total assets restricted as to use	$ 99,105,723	$ 7,146,378	$ 106,252,101

	2024		
	Westhab Group	Tax Credit Entities	Total
Construction escrows	$ 123,469,422	$ 994,804	$ 124,464,226
Replacement reserve	431,576	2,689,612	3,121,188
Operating reserves	89,391	1,932,151	2,021,542
Other escrows	661,171	-	661,171
Tenant security deposit	107,733	440,790	548,523
Rent reserve	359,234	-	359,234
Dayspring reserve	122,149	-	122,149
EHAP reserve	115,347	-	115,347
Other restricted deposits	-	34,004	34,004
Total assets restricted as to use	$ 125,356,023	$ 6,091,361	$ 131,447,384

18. Related Party Transactions

One of the Company's board members provides insurance advisory services to the Company. The insurance carrier pays the board member a commission based on the Company's insurance premiums paid.

Westhab controls Washingtonville Housing Alliance, Inc. (“Washingtonville”), a not-for-profit organization located in the Village of Mamaroneck, NY, through a majority voting interest in its Board. The following is a summary of amounts billed by the Company to Washingtonville and affiliates of Washingtonville for the years ended December 31, 2025 and 2024:

	2025	2024
Washingtonville		
Management fees	$ 75,000	$ 75,000
Personnel costs	315,000	300,000
	$ 390,000	$ 375,000

At December 31, 2025 and 2024, the Company had amounts due from Washingtonville of approximately $235,000 and $337,000, respectively. The amounts due from Washingtonville are unsecured, non-interest bearing, and not subject to a definitive repayment schedule. Select financial information of Washingtonville and its consolidated affiliates as of and for the period ended December 31, 2025 is presented as follows: Assets - $5,619,000; Liabilities - $2,346,000; Net assets - $3,273,000; Revenues - $1,033,000; Change in net assets – ($4,000).

19. Non-Controlling Interests

Westhab, Inc., either directly or through its control of other entities, is the general partner or managing member (hereafter collectively referred to as the “general partner”) of several low-income tax credit entities. These entities receive significant capital contributions from their limited partners or investor members (hereafter collectively referred to as “limited partners”). In return for their capital contributions, the limited partners receive certain tax benefits under the Internal Revenue Code primarily in the form of low-income housing tax credits. As of December 31, 2025, approximately $33,366,000 remains to be contributed by the limited partners. The underlying properties must be maintained as low-income housing projects for specified periods. Allocation of profits and losses, proceeds of sales of property and distributable cash flow is governed by the individual partnership agreements. Generally, between .01% to 1% of the tax credit entities’ profits and losses are allocated to the general partner although individual partnership agreements may contain provisions allowing for changes in those amounts. Partnership agreements generally prioritize the distribution of distributable cash, if any, at the end of each of the tax credit entities’ life.

The limited partners’ share of tax credit entity losses is reflected in the consolidated statements of activities and changes in net assets as the change in net assets attributable to limited partners and the net capital balances of the limited partners is reflected in the consolidated statements of financial position as limited partners’ capital.

20. Contributed Nonfinancial Assets

Contributions of donated noncash assets (in-kind donations) are recorded at their fair values in the period pledged or received and are reported as support without donor restriction unless explicit donor stipulations specify how donated assets must be used. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, which are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

For each of the years ended December 31, 2025 and 2024, contributed nonfinancial assets recognized within the consolidated statement of activities and changes in net assets totaled $360,000. This represents the value of in-kind rent for program space, valued based on the the rent paid by the landlord on behalf of the Company.

There were no contributions of nonfinancial assets received during the years ended December 31, 2025 and 2024 that had donor restrictions.

21. Subsequent Events

The Company has evaluated subsequent events occurring after the consolidated statement of financial position date through July 20, 2026, which is the date the consolidated financial statements were available to be issued. Based on that evaluation, the Company has determined that no subsequent events have occurred that require disclosure in or adjustment to the consolidated financial statements.

Supplementary Information

Westhab, Inc. and Affiliates
Consolidating Statement of Financial Position
December 31, 2025

	Westhab Group	Tax Credit Entities	Eliminations	Total
Assets				
Current assets				
Cash	$ 34,500,481	$ 3,576,476	$ -	$ 38,076,957
Investments	5,141,429	-	-	5,141,429
Due from government agencies	14,480,913	-	-	14,480,913
Other current assets	2,685,769	1,792,464	-	4,478,233
Total current assets	56,808,592	5,368,940	-	62,177,532
Property and equipment, net	261,482,275	216,284,348	(18,073,320)	459,693,303
Right-of-use assets, operating leases	241,044,321	-	-	241,044,321
Other assets				
Investment in subsidiaries	7,635,035	-	(6,514,769)	1,120,266
Notes receivable - affiliates	48,386,003	-	(48,386,003)	-
Due from affiliates	5,551,876	-	(5,280,221)	271,655
Assets restricted as to use	99,105,723	7,146,378	-	106,252,101
Other assets	411,802	1,683,578	-	2,095,380
Total other assets	161,090,439	8,829,956	(60,180,993)	109,739,402
Total assets	$ 720,425,627	$ 230,483,244	$ (78,254,313)	$ 872,654,558

See Independent Auditor's Report.

Westhab, Inc. and Affiliates
Consolidating Statement of Financial Position
December 31, 2025

	Westhab Group	Tax Credit Entities	Eliminations	Total
Liabilities and Net Assets				
Liabilities				
Current liabilities				
Notes payable - current portion	$ 4,911,247	$ 456,402	$ -	$ 5,367,649
Operating lease liabilities, current	29,650,866	-	-	29,650,866
Accounts payable and other current liabilities	12,761,284	2,012,024	(1,425,611)	13,347,697
Construction costs payable	1,137,762	3,942,988	-	5,080,750
Contractual advances	35,314,467	-	-	35,314,467
Total current liabilities	83,775,626	6,411,414	(1,425,611)	88,761,429
Other liabilities				
Notes payable, net of current portion and debt issuance costs	339,072,939	128,349,708	(28,821,838)	438,600,809
Notes payable - affiliates	-	19,652,113	(19,652,113)	-
Forgivable mortgage notes payable	3,624,448	10,871,669	-	14,496,117
Accrued mortgage interest	-	3,371,840	-	3,371,840
Operating lease liabilities, noncurrent	216,015,995	-	-	216,015,995
Due to affiliates	660,905	5,325,685	(5,309,455)	677,135
Due to County of Westchester Department of Social Services, rent advances	856,210	-	-	856,210
Developer fees payable	-	3,974,525	(3,974,525)	-
Security deposits	351,519	550,255	-	901,774
Other liabilities	1,640,527	1,450,000	-	3,090,527
Total other liabilities	562,222,543	173,545,795	(57,757,931)	678,010,407
Total liabilities	645,998,169	179,957,209	(59,183,542)	766,771,836
Net assets				
Without donor restrictions				
Controlling interest	41,167,729	1,755,244	(26,885,585)	16,037,388
Noncontrolling interest	-	48,770,791	7,814,814	56,585,605
	41,167,729	50,526,035	(19,070,771)	72,622,993
With donor restrictions	33,259,729	-	-	33,259,729
Total net assets	74,427,458	50,526,035	(19,070,771)	105,882,722
Total liabilities and net assets	$ 720,425,627	$ 230,483,244	$ (78,254,313)	$ 872,654,558

See Independent Auditor’s Report.

Westhab, Inc. and Affiliates
Consolidating Statement of Financial Position
December 31, 2024

	Westhab Group	Tax Credit Entities	Eliminations	Total
Assets				
Current assets				
Cash	$ 14,314,327	$ 1,909,181	$ -	$ 16,223,508
Investments	4,942,199	-	-	4,942,199
Due from government agencies	24,415,634	-	-	24,415,634
Promises to give	100,000	-	-	100,000
Other current assets	4,420,682	1,423,434	-	5,844,116
Total current assets	48,192,842	3,332,615	-	51,525,457
Property and equipment, net	237,077,429	180,838,673	(18,610,901)	399,305,201
Right-of-use assets, operating leases	252,096,900	-	-	252,096,900
Other assets				
Investment in subsidiaries	7,635,035	-	(6,514,769)	1,120,266
Notes receivable - affiliates	46,402,400	-	(46,402,400)	-
Due from affiliates	5,368,946	-	(5,280,221)	88,725
Assets restricted as to use	125,356,023	6,091,361	-	131,447,384
Other assets	1,151,038	1,723,977	-	2,875,015
Total other assets	185,913,442	7,815,338	(58,197,390)	135,531,390
Total assets	$ 723,280,613	$ 191,986,626	$ (76,808,291)	$ 838,458,948

See Independent Auditor's Report.

Westhab, Inc. and Affiliates
Consolidating Statement of Financial Position
December 31, 2024

	Westhab Group	Tax Credit Entities	Eliminations	Total
Liabilities and Net Assets				
Liabilities				
Current liabilities				
Notes payable - current portion	$ 3,263,980	$ 18,355,389	$ -	$ 21,619,369
Operating lease liabilities, current	28,769,441	-	-	28,769,441
Accounts payable and other current liabilities	12,351,779	1,379,244	(1,293,869)	12,437,154
Construction costs payable	1,079,968	2,154,422	-	3,234,390
Contractual advances	26,941,815	-	-	26,941,815
Total current liabilities	72,406,983	21,889,055	(1,293,869)	93,002,169
Other liabilities				
Notes payable, net of current portion and debt issuance costs	345,106,476	90,968,496	(28,821,838)	407,253,134
Notes payable - affiliates	-	17,738,640	(17,738,640)	-
Forgivable mortgage notes payable	3,520,032	10,871,665	-	14,391,697
Accrued mortgage interest	-	3,311,660	-	3,311,660
Operating lease liabilities, noncurrent	226,732,574	-	-	226,732,574
Due to affiliates	529,147	4,780,308	(5,309,455)	-
Due to County of Westchester Department of Social Services, rent advances	856,210	-	-	856,210
Developer fees payable	-	7,401,496	(7,401,496)	-
Security deposits	315,661	449,948	-	765,609
Other liabilities	1,584,745	1,450,000	-	3,034,745
Total other liabilities	578,644,845	136,972,213	(59,271,429)	656,345,629
Total liabilities	651,051,828	158,861,268	(60,565,298)	749,347,798
Net assets				
Without donor restrictions				
Controlling interest	37,931,932	2,840,587	(23,427,195)	17,345,324
Noncontrolling interest	-	30,284,771	7,184,202	37,468,973
	37,931,932	33,125,358	(16,242,993)	54,814,297
With donor restrctions	34,296,853	-	-	34,296,853
Total net assets	72,228,785	33,125,358	(16,242,993)	89,111,150
Total liabilities and net assets	$ 723,280,613	$ 191,986,626	$ (76,808,291)	$ 838,458,948

See Independent Auditor's Report.

Westhab, Inc. and Affiliates
Consolidating Statement of Activities and Changes in Net Assets
Year Ended December 31, 2025

	Westhab Group	Tax Credit Entities	Eliminations	Total
Revenues				
Housing income, net	$ 182,879,751	$ 9,055,292	$ -	$ 191,935,043
Contracts for services	20,086,613	-	-	20,086,613
Fees and contributions	6,583,055	113,657	(4,163,539)	2,533,173
Contributions of nonfinancial assets	360,000	-	-	360,000
Capital grants	2,921,883	-	(726,380)	2,195,503
Special events, net	974,387	-	-	974,387
Investment income	1,527,865	960,784	(224,217)	2,264,432
Total revenues	215,333,554	10,129,733	(5,114,136)	220,349,151
Operating expenses				
Program services	198,087,542	13,820,619	(823,410)	211,084,751
General and administrative	14,509,679	702,696	(1,462,948)	13,749,427
Fundraising	537,660	-	-	537,660
Total operating expenses	213,134,881	14,523,315	(2,286,358)	225,371,838
Changes in net assets	2,198,673	(4,393,582)	(2,827,778)	(5,022,687)
Changes attributable to limited partners	-	3,308,239	(630,612)	2,677,627
Changes in net assets attributable to Westhab, Inc.	2,198,673	(1,085,343)	(3,458,390)	(2,345,060)

See Independent Auditor's Report.

Westhab, Inc. and Affiliates
Consolidating Statement of Activities and Changes in Net Assets
Year Ended December 31, 2025

	Westhab Group	Tax Credit Entities	Eliminations	Total
Net assets				
Beginning of year				
Controlling interest	72,228,785	2,840,587	(23,427,195)	51,642,177
Noncontrolling interest	-	30,284,771	7,184,202	37,468,973
	72,228,785	33,125,358	(16,242,993)	89,111,150
Contributed capital				
Controlling interest	-	-	-	-
Noncontrolling interest	-	21,794,259	-	21,794,259
	-	21,794,259	-	21,794,259
Distributed capital				
Controlling interest	-	-	-	-
Noncontrolling interest	-	-	-	-
	-	-	-	-
End of year				
Controlling interest	74,427,458	1,755,244	(26,885,585)	49,297,117
Noncontrolling interest	-	48,770,791	7,814,814	56,585,605
	$ 74,427,458	$ 50,526,035	$ (19,070,771)	$ 105,882,722

See Independent Auditor’s Report.

Westhab, Inc. and Affiliates
Consolidating Statement of Activities and Changes in Net Assets
Year Ended December 31, 2024

	Westhab Group	Tax Credit Entities	Eliminations	Total
Revenues				
Housing income, net	$ 157,536,637	$ 6,895,025	$ -	$ 164,431,662
Contracts for services	19,619,077	-	(726,611)	18,892,466
Fees and contributions	3,297,228	141,789	(2,046,037)	1,392,980
Contributions of non-financial assets	360,000	-	-	360,000
Capital grants	837,848	-	-	837,848
Special events, net	862,308	-	-	862,308
Investment income	766,499	216,966	-	983,465
Total revenues	183,279,597	7,253,780	(2,772,648)	187,760,729
Operating expenses				
Program services	170,480,447	11,790,044	(717,525)	181,552,966
General and administrative	13,103,254	534,741	(1,114,526)	12,523,469
Fundraising	570,413	-	-	570,413
Total operating expenses	184,154,114	12,324,785	(1,832,051)	194,646,848
Changes in net assets	(874,517)	(5,071,005)	(940,597)	(6,886,119)
Changes attributable to limited partners	-	4,253,578	(553,244)	3,700,334
Changes in net assets attributable to Westhab, Inc.	(874,517)	(817,427)	(1,493,841)	(3,185,785)

See Independent Auditor’s Report.

Westhab, Inc. and Affiliates
Consolidating Statement of Activities and Changes in Net Assets
Year Ended December 31, 2024

	Westhab Group	Tax Credit Entities	Eliminations	Total
Net assets				
Beginning of year				
Controlling interest	73,103,302	3,657,914	(21,933,254)	54,827,962
Noncontrolling interest	-	28,454,701	6,630,958	35,085,659
	73,103,302	32,112,615	(15,302,296)	89,913,621
Contributed capital				
Controlling interest	-	100	(100)	-
Noncontrolling interest	-	6,110,716	-	6,110,716
	-	6,110,816	(100)	6,110,716
Distributed capital				
Controlling interest	-	-	-	-
Noncontrolling interest	-	(27,068)	-	(27,068)
	-	(27,068)	-	(27,068)
End of year				
Controlling interest	72,228,785	2,840,587	(23,427,195)	51,642,177
Noncontrolling interest	-	30,284,771	7,184,202	37,468,973
	$ 72,228,785	$ 33,125,358	$ (16,242,993)	$ 89,111,150

See Independent Auditor’s Report.

Westhab, Inc. and Affiliates
Consolidating Statement of Functional Expenses
Year Ended December 31, 2025

	Program Services								General and Administrative					
	Westhab Group	Tax Credit Entities	Eliminations	Total Housing Operations	Shelter Operations	Employment Services	Real Estate Development	Total	Westhab Group	Tax Credit Entities	Eliminations	Total	Fundraising	Total
Personnel costs	$11,661,252	$ 1,498,225	$ -	$13,159,477	$66,046,007	$ 2,201,204	$ 1,548,334	$82,955,022	$10,186,931	$ -	$ -	$10,186,931	$ 436,287	$93,578,240
Rent	10,983,191	4,267	-	10,987,458	56,098,362	58,766	5,100	67,149,686	541,029	-	-	541,029	-	67,690,715
Insurance	625,685	918,214	-	1,543,899	3,358,898	17,671	4,970	4,925,438	167,105	-	-	167,105	-	5,092,543
Professional fees	712,816	449,038	-	1,161,854	330,945	44,132	69,779	1,606,710	1,047,800	702,696	(736,568)	1,013,928	62,380	2,683,018
Real estate taxes	218,794	478,790	-	697,584	2,716,699	-	541	3,414,824	-	-	-	-	-	3,414,824
Utilities	954,704	1,228,059	-	2,182,763	5,178,830	12,962	635	7,375,190	120,956	-	-	120,956	-	7,496,146
Communications	170,947	110,393	-	281,340	516,324	32,969	4,135	834,768	51,513	-	-	51,513	813	887,094
Maintenance and repairs	723,881	1,268,055	-	1,991,936	10,704,740	31,925	7,403	12,736,004	157,760	-	-	157,760	-	12,893,764
Program activities	1,044,477	166	-	1,044,643	7,599,385	468,124	978	9,113,130	769,566	-	(726,380)	43,186	103	9,156,419
Office expense	282,798	27,132	-	309,930	1,020,244	49,394	14,516	1,394,084	285,856	-	-	285,856	14,288	1,694,228
Travel	153,689	1,959	-	155,648	169,676	7,167	12,297	344,788	72,428	-	-	72,428	1,618	418,834
Depreciation and amortization	2,821,913	5,255,524	(537,581)	7,539,856	1,183,833	476	-	8,724,165	719,375	-	-	719,375	-	9,443,540
Interest	7,515,490	2,110,783	(285,829)	9,340,444	145,429	-	-	9,485,873	97,862	-	-	97,862	-	9,583,735
Other	44,532	153,799	-	198,331	144,992	1,557	8,393	353,273	291,498	-	-	291,498	22,171	666,942
Bad debt expense (recovery)	336,711	316,215	-	652,926	18,870	-	-	671,796	-	-	-	-	-	671,796
	$38,250,880	$13,820,619	$ (823,410)	$51,248,089	$155,233,234	$ 2,926,347	$ 1,677,081	$211,084,751	$14,509,679	$ 702,696	$ (1,462,948)	$13,749,427	$ 537,660	$225,371,838

See Independent Auditors' Report.

Westhab, Inc. and Affiliates
Consolidating Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services								General and Administrative					
	Westhab Group	Tax Credit Entities	Eliminations	Total Housing Operations	Shelter Operations	Employment Services	Real Estate Development	Total	Westhab Group	Tax Credit Entities	Eliminations	Total	Fundraising	Total
Personnel costs	$11,715,344	$ 1,187,119	$ -	$12,902,463	$60,839,781	$ 2,115,068	$ 1,383,536	$77,240,848	$ 9,073,005	$ -	$ -	$ 9,073,005	$ 516,903	$86,830,756
Rent	10,239,820	4,267	-	10,244,087	46,771,747	57,950	5,100	57,078,884	621,609	-	-	621,609	-	57,700,493
Insurance	564,346	784,906	-	1,349,252	2,588,991	14,530	3,698	3,956,471	110,187	-	-	110,187	-	4,066,658
Professional fees	537,599	383,894	-	921,493	404,935	36,232	70,336	1,432,996	901,648	534,741	(602,333)	834,056	15,209	2,282,261
Real estate taxes	259,127	400,579	-	659,706	1,575,729	-	2,876	2,238,311	-	-	-		-	2,238,311
Utilities	857,964	1,103,327	-	1,961,291	3,710,423	7,989	607	5,680,310	142,670	-	-	142,670	-	5,822,980
Communications	170,858	94,920	-	265,778	462,650	24,072	3,843	756,343	52,477	-	-	52,477	904	809,724
Maintenance and repairs	722,823	1,019,130	-	1,741,953	8,670,279	40,039	373	10,452,644	149,226	-	-	149,226	-	10,601,870
Program activities	790,663	1,456	-	792,119	8,297,365	627,642	630	9,717,756	766,839	-	(726,611)	40,228	475	9,758,459
Office expense	311,601	678,978	-	990,579	804,595	60,300	13,740	1,869,214	256,497	-	-	256,497	15,618	2,141,329
Travel	143,735	-	-	143,735	136,075	4,583	7,104	291,497	39,881	-	-	39,881	2,695	334,073
Depreciation and amortization	1,337,173	4,538,252	(438,359)	5,437,066	1,148,580	357	-	6,586,003	704,206	-	-	704,206	-	7,290,209
Interest	2,309,654	1,281,843	(279,166)	3,312,331	165,178	-	-	3,477,509	343,066	-	-	343,066	-	3,820,575
Other	39,099	66,971	-	106,070	35,437	175	3,950	145,632	156,361	-	-	156,361	18,609	320,602
Bad debt expense (recovery)	345,364	244,402	-	589,766	18,546	20,236	-	628,548	-	-	-		-	628,548
Discount - notes	-	-	-	-	-	-	-	-	(214,418)	-	214,418		-	
	$30,345,170	$11,790,044	$ (717,525)	$41,417,689	$135,630,311	$ 3,009,173	$ 1,495,793	$181,552,966	$13,103,254	$ 534,741	$ (1,114,526)	$12,523,469	$ 570,413	$194,646,848

See Independent Auditors' Report.

Westhab, Inc. and Affiliates
Property Listing (Unaudited)
December 31, 2025

Property	Location	No. of Units	Square Footage	Original Cost and Improvements
Westhab Group				
Buildings				
2 East Cross Street	North Salem, New York	3	3,500	433,534
93 Bruce Avenue	Yonkers, New York	10	12,500	1,378,237
103 Elm Street	Yonkers, New York	4	3,100	914,173
5 Lawrence Street	Yonkers, New York	10	12,070	1,848,487
28 Pier Street	Yonkers, New York	12	3,804	1,260,558
62-64 Elliott Avenue	Yonkers, New York	17	20,000	2,696,595
5 Hudson Street	Yonkers, New York	42	17,500	4,567,592
100 Vark Street	Yonkers, New York	24	18,754	2,173,952
87 Locust Hill	Yonkers, New York	21	16,300	1,921,104
138-50 Queens Blvd (Briarwood)	Jamaica, New York	175	40,000	34,423,318
92 54 Queens Blvd (Rego Park)	Queens, New York	88	64,124	61,149,481
96 St Edwads (Fort Greene)	Brooklyn, New York	105	75,098	66,650,438
320 Walnut Avenue	Yonkers, New York	Community space	8,000	2,031,784
157 and 161 Bruce Avenue	Yonkers, New York	8	7,590	4,534,364
				$ 185,983,616
Leasehold Improvements				
8 Bashford Street	Yonkers, New York	Offices	17,893	239,941
2500 Halsey Street	Bronx, New York	Offices	33,942	333,739
205 Elm Street	Yonkers, New York	Community space	27,474	5,704,175
440 W 41st Street Start Up	New York, NY	Shelter	43,853	4,180
160-11 89th Ave (El Camino)	Jamaica, New York	Purpose Built Shelter	60,000	1,575
62-68 Hanson Place	Brooklyn, New York	Purpose Built Shelter	57,200	50,000
				$ 6,333,609

See Independent Auditors' Report.

Westhab, Inc. and Affiliates
Property Listing (Unaudited)
December 31, 2025

Property	Location	No. of Units	Square Footage	Original Cost and Improvements
Tax Entities Group				
Buildings				
97 Bruce Avenue	Yonkers, New York	12	10,920	$ 2,516,021
12 Knowles Street	Yonkers, New York	12	11,090	2,540,147
125 Elm Street	Yonkers, New York	4	5,400	775,997
129 Elm Street	Yonkers, New York	7	6,300	848,489
139 Elm Street	Yonkers, New York	8	7,440	971,651
141 Elm Street	Yonkers, New York	8	7,440	974,496
145 Elm Street	Yonkers, New York	8	6,840	910,711
125 Livingston Avenue	Yonkers, New York	15	15,650	2,981,375
217-227 Waverly Place	Yonkers, New York	29	30,224	5,289,422
129 South Fourth Avenue	Mount Vernon, New York	20	35,750	7,510,044
41-47 Clinton Place	New Rochelle, New York	25	26,108	8,633,457
29 Kress Avenue	New Rochelle, New York	40	44,649	13,569,575
22 Tarrytown Road	Greenburgh, New York	28	15,849	9,899,965
4-12 Gouverneur Place	Bronx, New York	68	50,200	19,444,126
7 Ludlow Street	Yonkers, New York	71	62,793	25,837,638
227 Elm Street	Yonkers, New York	63	68,794	36,450,818
76 Locust Hill	Yonkers, New York	112	75,293	51,871,071
				$ 191,025,002
Leasehold Improvements				
129 South Fourth Avenue	Mount Vernon, New York	Office	3,690	480,418
				$ 480,418

See Independent Auditors' Report.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To the Board of Trustees of
Westhab, Inc. and Affiliates:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *("Government Auditing Standards"),* the consolidated financial statements of Westhab, Inc. and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated July 20, 2026.

Our report includes a reference to other auditors who audited the financial statements of Dayspring Commons, L.P. and 76 Locust Hill, L.P., as described in our report on Westhab, Inc. and Affiliates' consolidated financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Dayspring Commons, L.P. and 76 Locust Hill, L.P. were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Dayspring Commons, L.P. and 76 Locust Hill, L.P.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Westhab, Inc. and Affiliates' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Westhab, Inc. and Affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of Westhab, Inc. and Affiliates' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Westhab, Inc. and Affiliates's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Westhab, Inc. and Affiliates' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Westhab, Inc. and Affiliates's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Westhab, Inc. and Affiliates' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Withum Smith+Brown, PC

July 20, 2026

Westhab, Inc.
Single Audit Report
December 31, 2025
With Independent Auditor's Report

Westhab, Inc.
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December 31, 2025

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Directors of
Westhab, Inc.:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Westhab, Inc.'s (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget ("OMB") *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2025. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of the Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the consolidated financial statements of the Organization as of and for the years ended December 31, 2025 and 2024, and have issued our report thereon dated July 20, 2026, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards for the year ended December 31, 2025 is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 2025 consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2025 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2025 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2025 consolidated financial statements or to the 2025 consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the 2025 consolidated financial statements as a whole.

Withum Smith+Brown, PC

July 20, 2026

Westhab, Inc.
Schedule of Expenditures of Federal Awards
December 31, 2025

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Grant/ Award Number	Total Federal Expenditures
U.S. Department of Health and Human Services:			
Temporary Assistance for Needy Families			
Passed Through County of Westchester, Department of Social Services			
Yonkers EHAP-DSS	93.558	DSS320-E-17	$ 2,460,184
Coachman Family Center	93.558	DSS3010-A-20	3,458,500
Vernon Plaza Family Center	93.558	DSS3012-21	50,581
Vernon Plaza Family Center	93.558	DSS3012-21	577,278
21 Fountain Place	93.558	DSS310-C-19	974,061
Summer Employment	93.558	DSS5007-22	91,267
Westhab Works Families	93.558	DSS4002-A-23	316,891
Westhab Works Families	93.558	DSS4002-B-23	862,320
			8,791,082
Passed Through County of Westchester, Department of Social Services			
Bronxwood (Tilden) Family Residence	93.558	C107120238806167	2,615,903
Edward L. Grant Family Residence	93.558	C107120248800790	1,784,198
Hudson Family Residence	93.558	C107120211419397	4,438,411
Intervale Family Residence	93.558	C107120211409511	2,792,424
Lionheart Family Residence	93.558	C107120228808184	3,705,147
Town & Country Family Residence	93.558	C107120258800665	3,776,644
Fort Greene	93.558	CT107120238804003	1,691,320
			20,804,047
		ALN 93.558 Total	29,595,129
U.S. Department of Labor			
Passed Through NYS Department of Labor			
CFA WDI - UWT	17.278	DOL01-C22356GG-3550000	28,953
U.S. Department of Justice:			
Passed Through the City of Yonkers, Bureau of Community Development Weed and Seed			
Nodine Hill Safe Haven	16.595	Unknown	8,240
U.S. Department of Housing and Urban Development:			
Passed Through the City of Yonkers, Bureau of Community Development			
Community Development Block Grants	14.218	Unknown	20,585
Passed Through the City of New Rochelle			
Community Development Block Grants	14.218	Unknown	6,685
		ALN 14.218 Total	27,270
Ludlow Commons			
HUD Section 202	14.157	012-EE383	11,556,800
Shiloh Kress			
HUD Section 202	14.157	012-EE361	6,807,970
		ALN 14.157 Total	18,364,770
Passed Through County of Westchester, Department of Community Health			
Shelter Plus Care	14.267	NY0488L2T042316	347,211
	14.267	NY0488L2T042417	1,813,615
			2,160,826
Passed Through the Municipal Housing Authority for the City of Yonkers			
Yonkers RA Program	14.267	NY0496L2T042114	41,280
	14.267	NY0496L2T042215	549,891
Rapid Road to Housing	14.267	NY1124L2T042307	730,205
	14.267	NY1124L2T042408	124,041
			1,445,417

See Independent Auditor's Report.
The Notes to Schedule of Expenditures of Federal Awards are an integral part of this statement.

Westhab, Inc.
Schedule of Expenditures of Federal Awards
December 31, 2025

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Grant/ Award Number	Total Federal Expenditures
Passed Through County of Westchester, Department of Social Services			
First Steps Program	14.267	NY0862L2T042312	$ 902,185
	14.267	NY0862L2T042413	82,008
Turning Point Project	14.267	NY0988L2T042309	728,641
	14.267	NY0988L2T042410	532,542
New Start Rapid Rehousing	14.267	NY1049L2T042306	551,547
	14.267	NY1049L2T042407	301,376
Coordinated Entry Expansion Program	14.267	NY1050L2T042308	18,000
	14.267	NY1050L2T042409	72,346
			3,188,645
Passed Through Children's Village			
TH for Young Adults	14.267	NY0864L2T042312	160,525
		ALN 14.267 Total	6,955,413
Passed Through the City of Yonkers, Bureau of Community Development			
ESG	14.231	ESG-CV2	369,657
ESG	14.231	Unknown	91,630
			461,287
Passed Through the City of Yonkers, Bureau of Community Development			
Willow Rapid Re-Housing Center ESG	14.231	C107120228800271	1,377
		ALN 14.231 Total	462,664
U.S. Department of Treasury:			
Passed Through the County of Rockland			
American Rescue Plan Act (ARPA)	21.027	2024-08212	1,351,886
U.S. Department of Agriculture (USDA):			
Passed Through the NYS Department of Health			
The Child and Adult Care Food Program (CACFP)	10.558	4722	104,705
Total expenditures of federal awards			$ 56,899,030

See Independent Auditor’s Report.
The Notes to Schedule of Expenditures of Federal Awards are an integral part of this statement.

Westhab, Inc.
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Westhab, Inc. (the "Organization") under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Organization. The Organization's contract with the federal agencies does not have a provision for an indirect cost rate.

2. Summary of Significant Estimates

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. Sub-Recepients

The Company provided no federal awards to sub-recipients for the year ended December 31, 2025.

4. Indirect Cost Rate

Westhab, Inc. has not previously received a negotiated indirect cost rate. However, Westhab, Inc. has elected to use the 10% de minimis indirect cost rate allowable under the Uniform Guidance.

5. Noncash Expenditures

Certain affiliates of Westhab, Inc. were in part financed by capital advances from HUD. These advances were in turn loaned from Westhab, Inc. to these affiliates and total $18,364,770 as of December 31, 2025. These advances are secured by enforcement mortgages on the properties owned by the affiliates. The mortgages carry a term of 40 years, bear no interest and repayment is not required so long as the housing remains available for its intended purpose. Since the mortgages are not repayable so long as Westhab, Inc. complies with HUD regulations, the proceeds from the mortgages have been recorded as net assets with donor restrictions and will be released from restriction upon expiration of the 40-year terms.

Westhab, Inc.
Schedule of Findings and Questioned Costs
Year Ended December 31, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	______Yes	__X__No
Significant deficiency(ies) identified?	______Yes	__X__None reported
Noncompliance material to financial statements noted?	______Yes	__X__No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	______Yes	__X__No
Significant deficiency(ies) identified?	______Yes	__X__None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	______Yes	__X__No

Identification of major federal programs:

Assistant Listing Number	Name of Federal Program or Cluster
14.157	Supportive Housing for the Elderly
93.558	Temporary Assistance for Needy Families

Dollar threshold used to distinguish between type A and type B programs:	$1,706,971

Auditee qualified as low-risk auditee?	______Yes	__X__No

Section II - Financial Statement Findings Required to be Reported in Accordance with *Government Auditing Standards*

None noted.

Section III - Federal Awards Findings and Questioned Costs

None noted.

Section IV - Prior Year Schedule of Findings and Questioned Costs

There were no prior year findings or questioned costs.